

CITY OF SAN ANTONIO

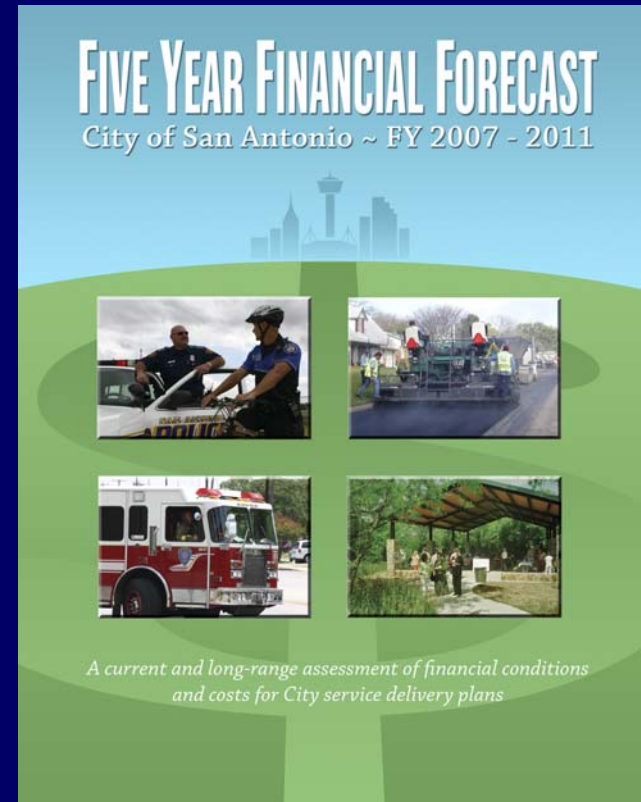


Five Year Financial Forecast FY 2007 – FY 2011

**Presented by Peter Zanoni
Management & Budget Director
June 14, 2006**

Overview

- Purpose
- General Fund
 - Revenues
 - Expenditures
- Other Funds
 - Environmental Services
 - Community and Visitor Facilities
- Budget Schedule



Purpose of Forecast

Purpose

General Fund

Other Funds

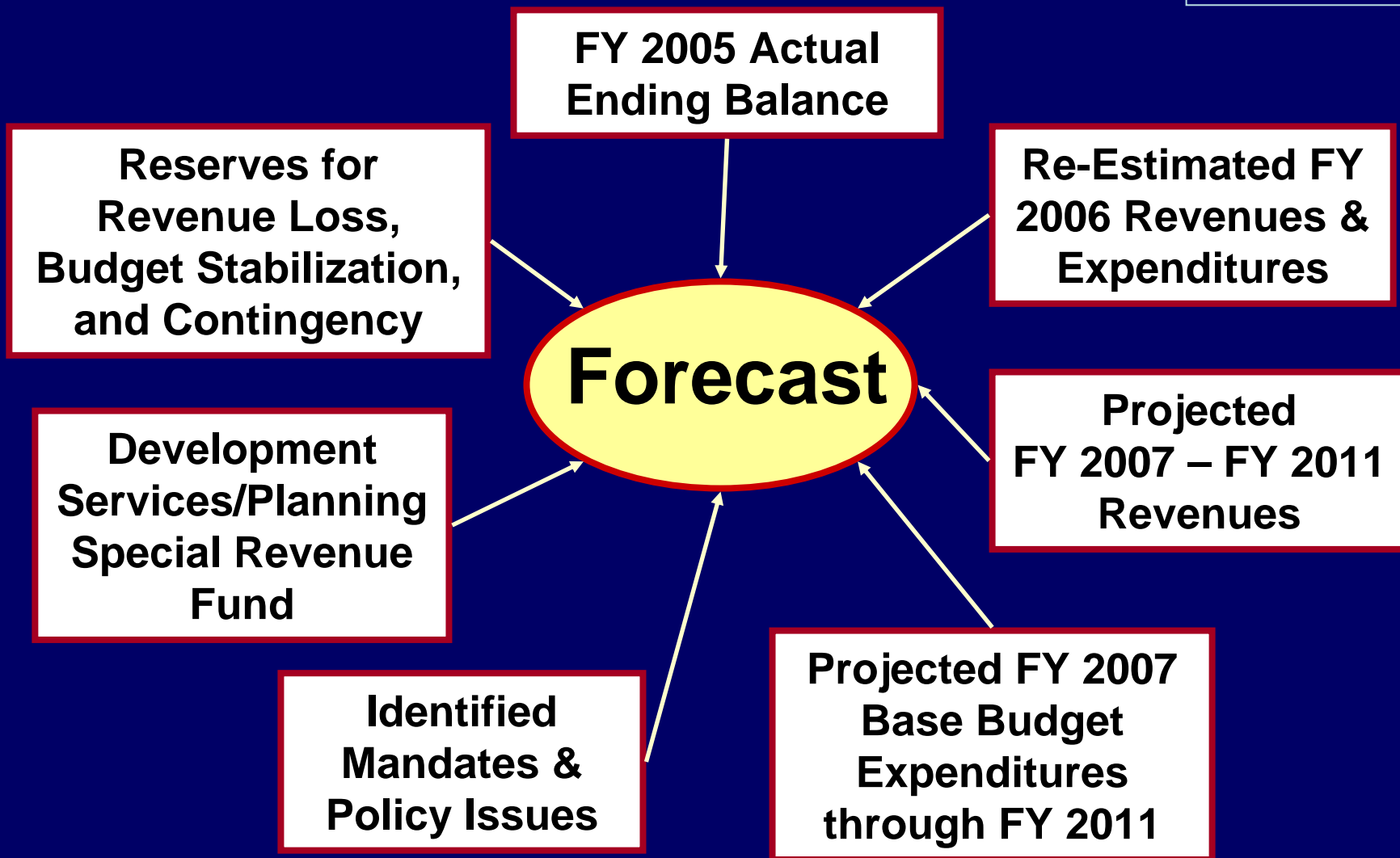
- Budgetary planning tool used since 1991
- Part of service delivery/goal setting strategy for FY 2007 Proposed Budget
- Early identification of projected ending balances
- Provides strategic model to evaluate future impact of budget decisions

Forecast Components

Purpose

General Fund

Other Funds



General Fund

Forecast Highlights

Purpose
<u>General Fund</u>
Other Funds

- General Fund ending balance financially strong
- Forecast includes Reserve Policy recommendations to sustain future financial stability
- Forecast starts to fund critical City service enhancements

General Fund Forecast

Purpose
General Fund
 Other Funds

FY 2005			
(\$ In Millions)	FY 2005 Re-Est.	FY 2005 Actual	<i>FY 2005 Variance</i>
Total Available Resources	720.1	743.8	23.7
Total Expenditures	667.6	668.3	(0.7)
Added Reserves	0	0	0
Remaining Balance	52.5	75.5	23.0

FY 2006		
FY 2006 Budget	FY 2006 Re-Est.	<i>FY 2006 Variance</i>
735.8	785.8	50.0
730.3	728.2	2.1
5.5	5.5	0
0	52.1	52.1

Result:

Two-year Cumulative Variance Carried into FY 2007 as Beginning Balance: **\$75.1 M**

General Fund Forecast

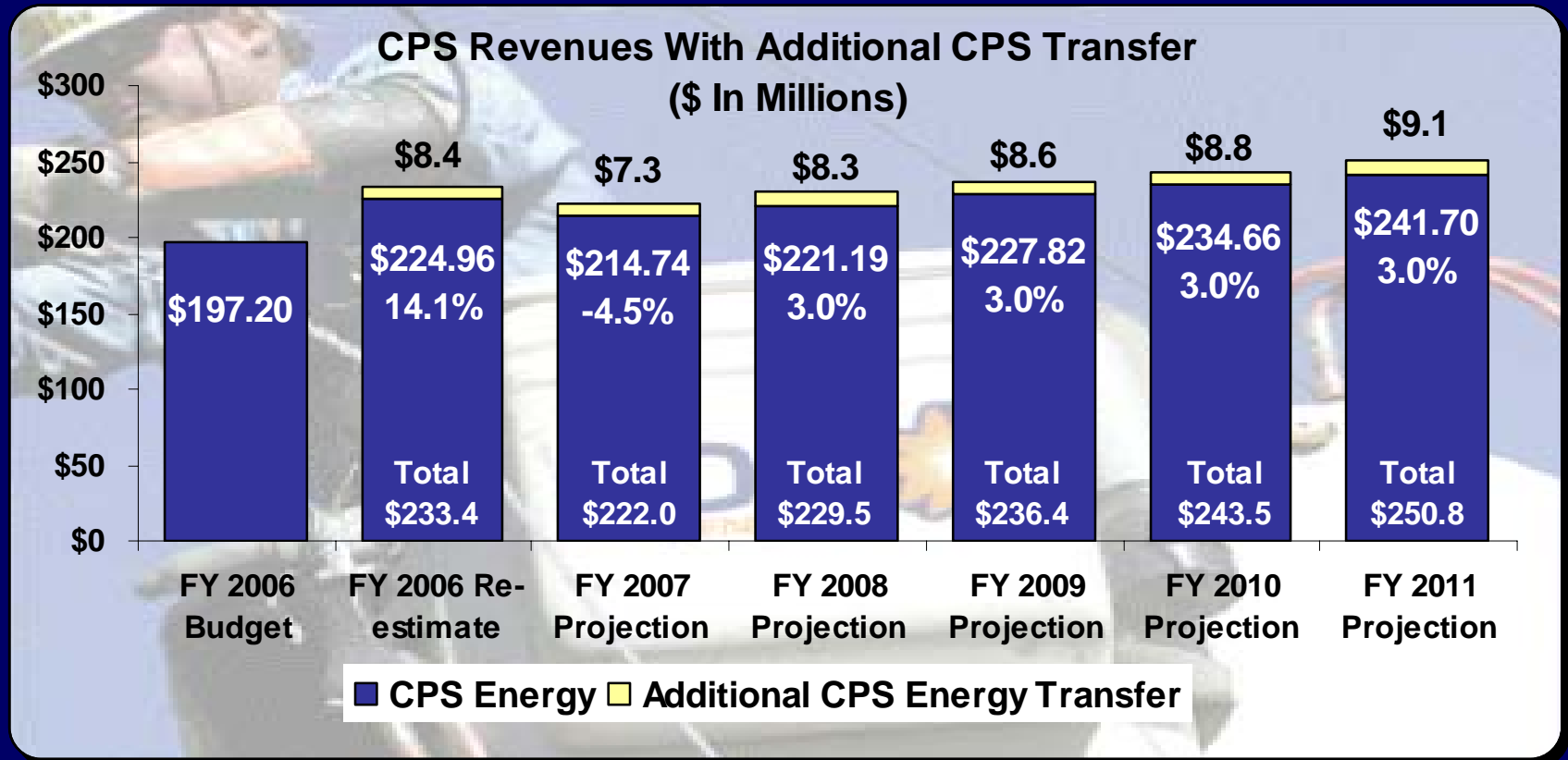
Purpose
General Fund
 Other Funds

(\$ In Millions)	FY 2007 Projection	FY 2008 Projection	FY 2009 Projection	FY 2010 Projection	FY 2011 Projection
Beginning Balance	75.11	20.92	0.10	0	0
Current Revenues	715.00	743.22	766.62	790.92	814.78
Total Available Resources	790.11	764.14	766.72	790.92	814.78
Total Expenditures and Reserves	769.19	779.04	806.91	829.69	847.30
Use of Budget Stabilization Reserve	0	15.0	0	0	0
Remaining Balance	20.92	0.10	(40.19)	(38.77)	(32.52)

CPS Revenue

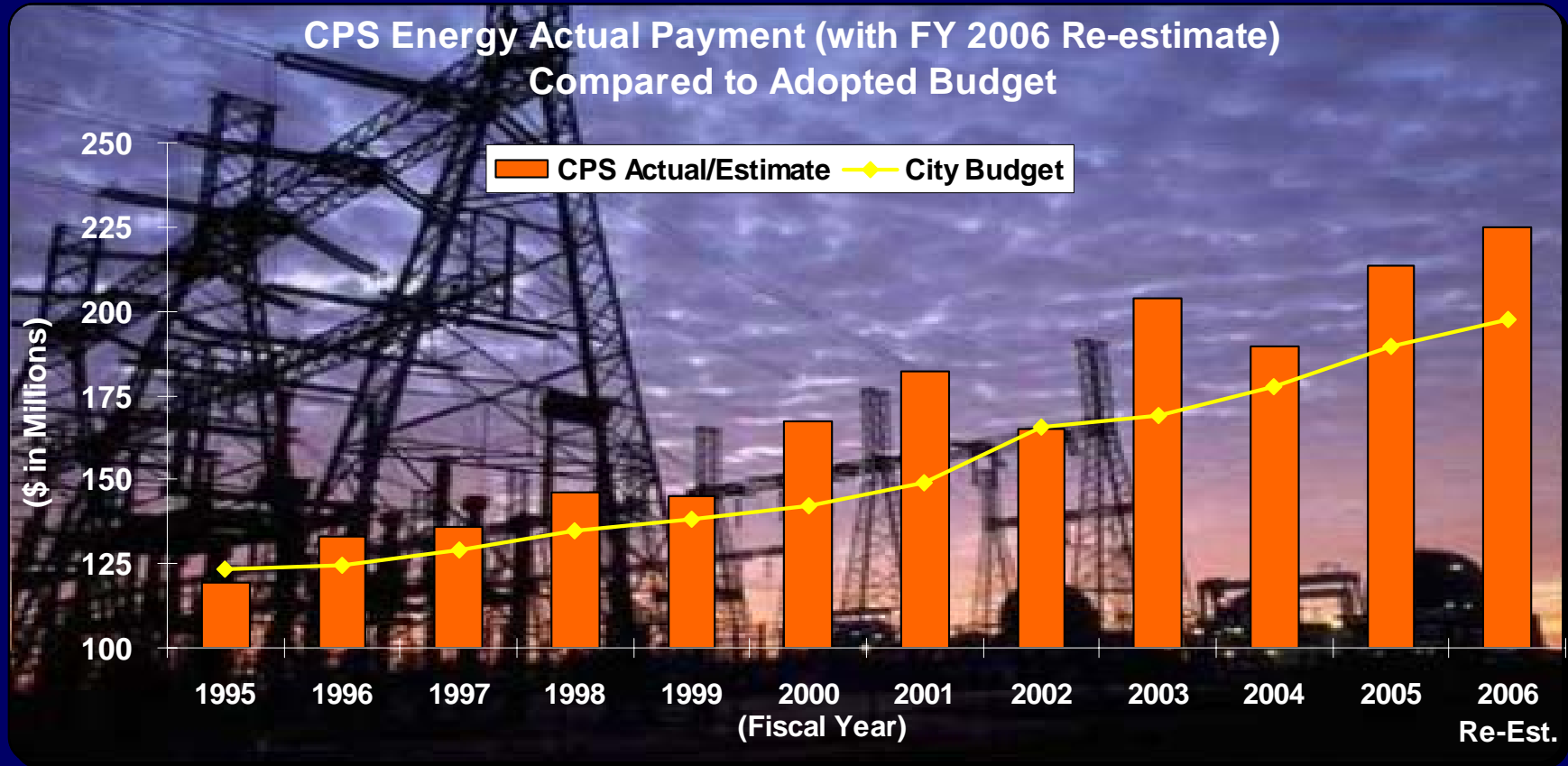
Purpose
General Fund
Other Funds

- FY 2006 Re-Estimate \$27.8 M above budget
- Forecast includes additional CPS transfer



CPS Revenue History

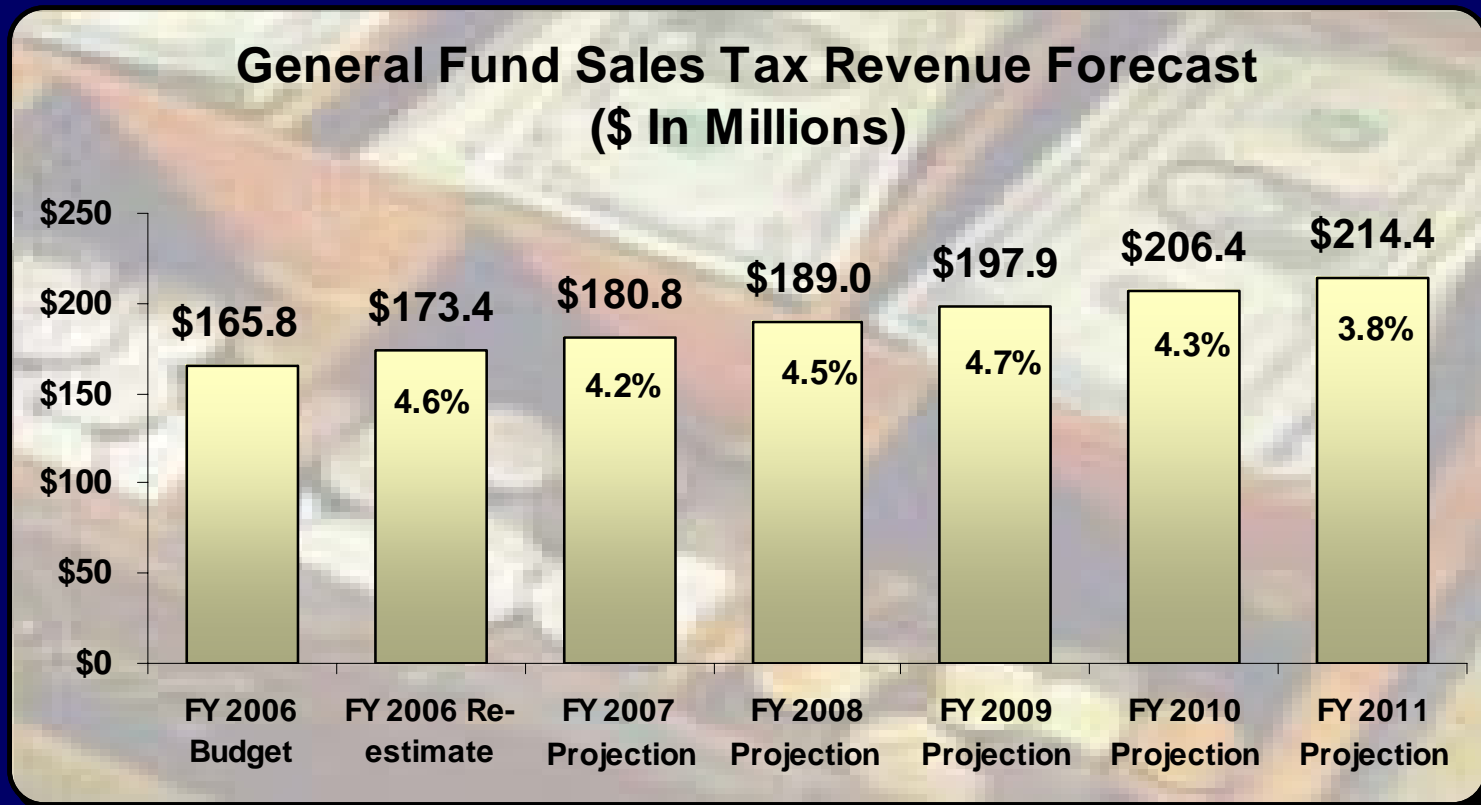
Purpose
General Fund
Other Funds



Sales Tax Revenue

Purpose
General Fund
Other Funds

- FY 2006 Re-Estimate \$7.6 M above budget
- FY 2007 Projection \$7.4 M over FY 2006 Estimate

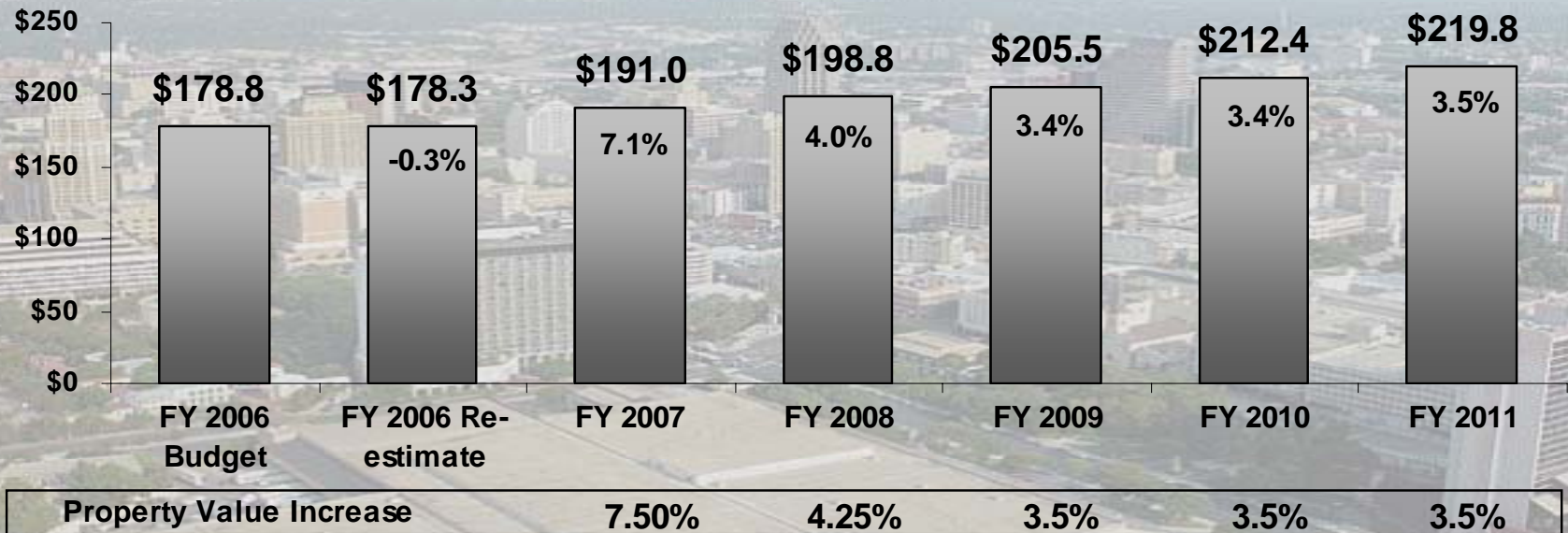


Property Tax Revenue

Purpose
General Fund
Other Funds

- FY 2007 Projection \$12.7 M Above FY 2006 Re-Estimate

City of San Antonio Current Property Tax Revenue Forecast
(\$ In Millions)



FY 2006 & FY 2007

Property Values

(\$ In Billions)

Purpose
General Fund
Other Funds

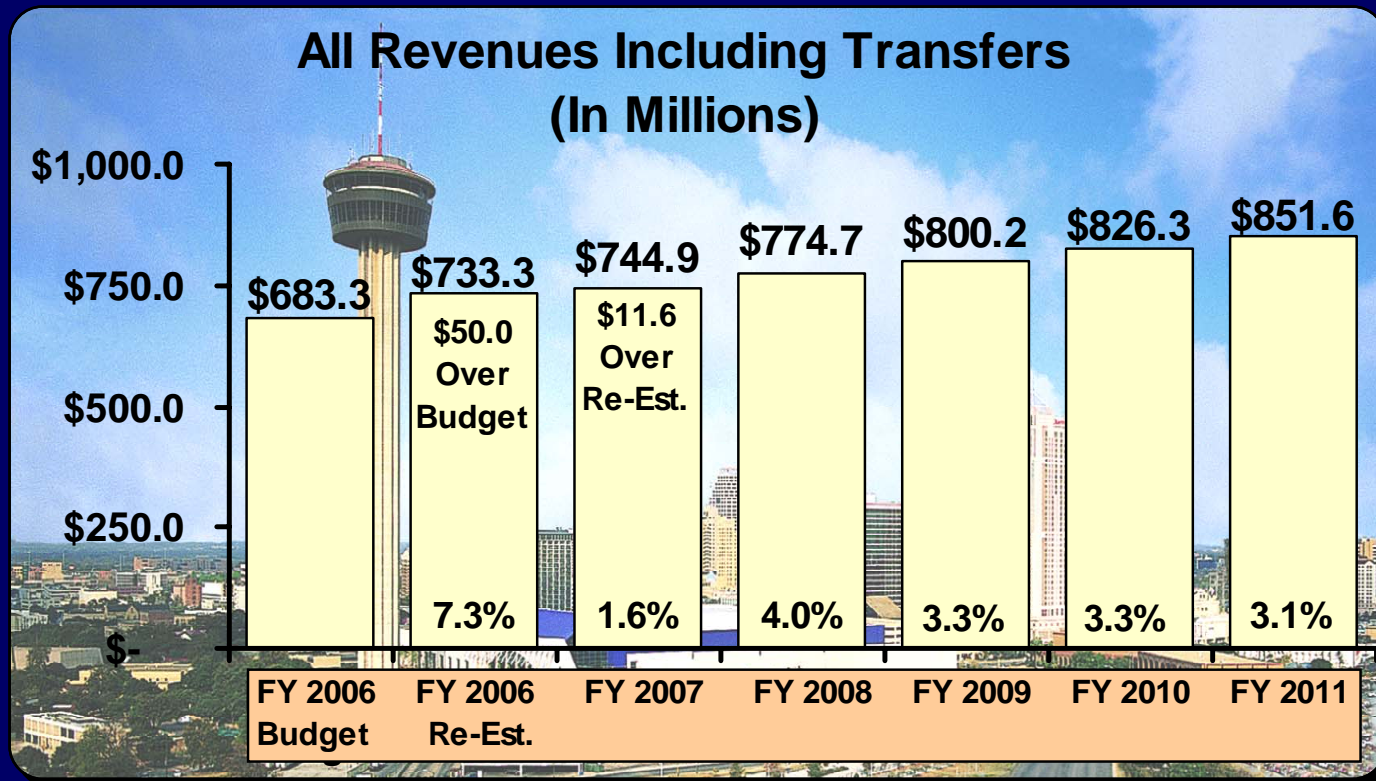
Projected

Base Value FY 2006	Increase in Base Value	New Improvements	Total Value FY 2006
\$49.9	\$2.2	\$1.5	\$53.6
% Increase over FY 2006	4.5%	3.0%	7.5%

All Current Revenues

Purpose
General Fund
Other Funds

- FY 2006 Re-Estimate is \$50.0 over FY 2006 Budget
- FY 2007 \$11.6 over FY 2006 Re-Estimate



Base Budget Expenses

Purpose
<u>General Fund</u>
Other Funds

- Reflects funding in each year to provide today's level of recurring City services
- Removes "one-time" expenditures
- Adds Mandate costs
- Includes projected FY 2007 staffing levels based on current personnel complement

Forecasted Expenses

Purpose
General Fund
Other Funds

- FY 2006 expenditure re-estimates assumed at 99.7% of Budget
- FY 2007 Base Budget includes \$5.2 M more than FY 2006 for projected increase in costs annually modified for price change
- FY 2008 – FY 2011 inflation rate projections applied to select contractual and commodity budgets

	FY 2008	FY 2009	FY 2010	FY 2011
Inflation Rates	2.53%	2.30%	2.30%	2.30%

Mandate Expenses

Purpose
General Fund
Other Funds

- Capital Improvements Operations & Maintenance
- Contract Requirement
- Federal/State Law Requirement
- Grant Match Requirement
- Three-Year Annexation Plan

(\$ In Millions)	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Total Mandates	\$4.7	\$4.1	\$1.7	\$1.9	\$1.6

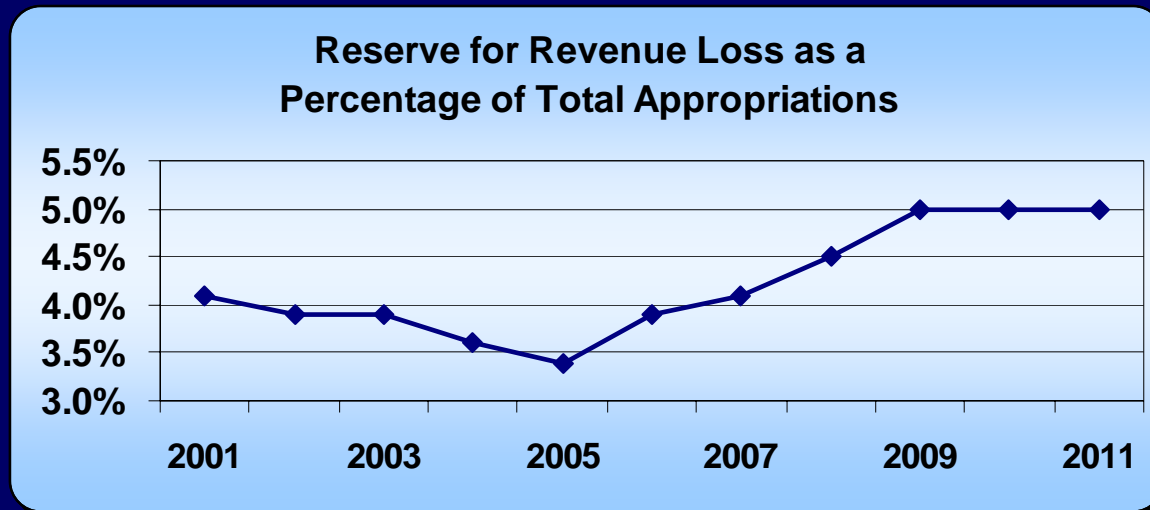
Development Services/Planning Special Revenue Fund

- Improves perception of stakeholders by assuring all fees are used to provide stakeholders service
- Aligns revenues with expenditures for enhanced accountability
- More responsive to economic trends
- Improve accountability for achieving departmental goals

Reserve for Revenue Loss

Purpose
General Fund
 Other Funds

- Maintained since 1989 to provide services in case of catastrophic event
- Goal of 5% reached and maintained in Forecast



(\$ In Millions)	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Yearly Increase	\$3.0	\$4.0	\$5.0	\$1.3	\$1.0
Total Reserve	\$31.2	\$35.2	\$40.2	\$41.5	\$42.5

Budget Stabilization Reserve

Purpose
General Fund
Other Funds

- To offset unforeseen revenue shortfalls or expenditure requirements that cannot be addressed with expenditure savings and/or other resources
- Forecast assumes \$15 M in FY 2007 as initial start
- FY 2007 Proposed Budget to include recommended policy for Budget Stabilization funds
- Unplanned revenue next year can be directed toward Budget Stabilization Reserve to address future year issues

(\$ In Millions)	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Yearly Increase	\$15.0	\$0	\$0	\$0	\$0
Total Stabilization Reserve	\$15.0	\$0	\$0	\$0	\$0

Contingency Funds

Purpose
General Fund
Other Funds

- Would provide funding for service requests not budgeted and unanticipated expenditures
- Forecast assumes \$2.0 M in FY 2007 as initial start
- Contingency funds increase to 1.0% of General Fund expenditures by FY 2011
- FY 2007 Proposed Budget to include recommended policy for contingency funds

(\$ In Millions)	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Amount Added	\$2.0	\$1.0	\$1.5	\$2.0	\$2.0
Total Contingency Funds	\$2.0	\$3.0	\$4.5	\$6.5	\$8.5

Environmental Services

Purpose
General Fund
Other Funds



- Service provided to 330,000 homes
 - City crews service 302,000 homes
 - Private contractors service 28,000 homes
 - Solid waste collection two times per week
 - Recycling one time per week
 - Brush/Bulky pick-up two times per year

Environmental Services

Purpose
General Fund
Other Funds

- Forecast projections assume current service levels and delivery methods
- Analysis and options in FY 2007 Proposed Budget development process may impact Forecast projections
 - Collection frequency
 - Automation implementation
 - Service delivery methods
 - Rate structure and cost recovery
 - Growth routes
 - Private sector service contracts

Environmental Services

Forecast

Purpose
General Fund
Other Funds

(In Millions)	FY 2006 Budget	FY 2006 Re-Est.	FY 2007 Forecast	FY 2008 Forecast	FY 2009 Forecast	FY 2010 Forecast	FY 2011 Forecast
Beginning Balance	0	(1.1)	(1.9)	0	0	0	0
Current Revenues	60.5	60.0	60.8	61.6	62.5	63.4	64.3
Total Expenditures	60.5	60.8	67.9	71.4	73.9	75.3	78.0
Remaining Balance	0	(1.9)	(9.0)	(9.8)	(11.4)	(11.9)	(13.7)
Annual Reserves	0	0	1.0	2.3	3.6	3.7	3.8

Forecast Analysis

Purpose
General Fund
Other Funds

- FY 2005 Actual Ending Balance \$1.1 M less than projected
 - Disposal costs \$320 K higher
 - Fuel and vehicle parts \$837 K higher

	FY 2005 Estimates	FY 2005 Actuals	<i>Change</i>
Date Completed	July 2005	February 2006	
Revenues	\$54.4 M	\$55.7 M	\$1.3 M
Expenditures	\$54.4 M	\$56.8 M	(\$2.4 M)
Ending Balance Result	0	(\$1.1 M)	(\$1.1 M)

Forecast Analysis

Purpose
General Fund
Other Funds

- FY 2006 budgeted revenues assume change in waste-hauler permit costs not implemented (\$759 K)
- FY 2007 projected base expenditures increase \$5.2 M
 - Labor costs \$657 K higher
 - Motor fuel \$730 K higher
 - Fleet maintenance \$365 K higher
 - Baseline disposal costs \$635 K higher

Rate Analysis

Purpose
General Fund
Other Funds

- Over past 10 years, rate increased three times and decreased by \$0.10 in FY 2000
- Major revenue sources over five years

	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Solid Waste Fee	\$9.20	\$9.71	\$9.71	\$9.71	\$10.16
Brush Collection Fee	1.20	1.20	1.20	1.20	2.53
Environmental Fee	1.30	1.30	1.30	1.30	1.30
Total	\$11.70	\$12.21	\$12.21	\$12.21	\$13.99
Monthly Increase	1.20	\$0.51	0	0	\$1.78
% Change	11.4%	4.4%	0	0	14.6%

Rate Analysis

Purpose
General Fund
Other Funds

- Estimated Environmental Services monthly rate increases forecasted assuming current service factors

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
% Change	16.4%	1.3%	2.3%	0.8%	2.5%
	\$2.29	\$0.21	\$0.38	\$0.14	\$0.43

Estimated
Increases

Community & Visitor Facilities

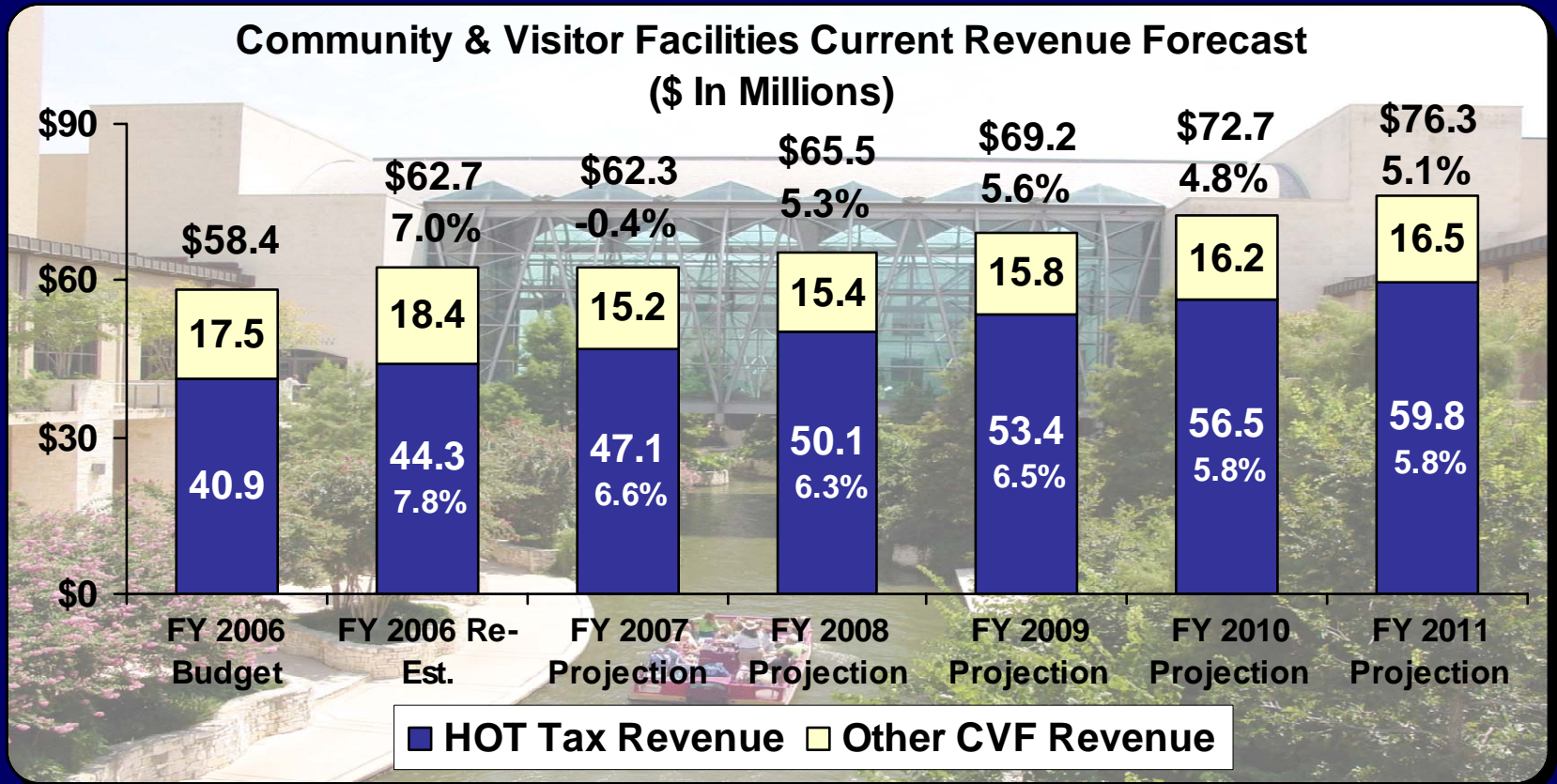
Purpose
General Fund
Other Funds

- Hotel Occupancy Tax
- Convention Center Revenues
- Alamodome and Wolff Stadium Revenues



Community & Visitor Facilities

Purpose
General Fund
Other Funds



Community & Visitor Facilities

Purpose
General Fund
Other Funds

- Major Expenditures
 - Convention and Visitors Bureau
 - Convention Facilities
 - Alamodome
 - Wolff Stadium
 - International Affairs
 - Cultural Affairs
 - Art & Cultural Agencies



Community & Visitor Facilities Forecast

(\$ In Millions)	FY 2006 Budget	FY 2006 Re-Est.	FY 2007 Forecast	FY 2008 Forecast	FY 2009 Forecast	FY 2010 Forecast	FY 2011 Forecast
Beginning Balance	3.0	3.5	5.1	2.4	1.0	1.8	3.6
Current Revenues	58.4	62.7	62.3	65.5	69.2	72.7	76.3
Total Expenditures	59.3	61.1	65.0	66.9	68.4	70.9	73.6
Remaining Balance	2.1	5.1	2.4	1.0	1.8	3.6	6.3
Annual Reserves	0	0	1.2	2.4	3.7	5.6	8.6

Community & Visitor Facilities

Purpose
General Fund
Other Funds

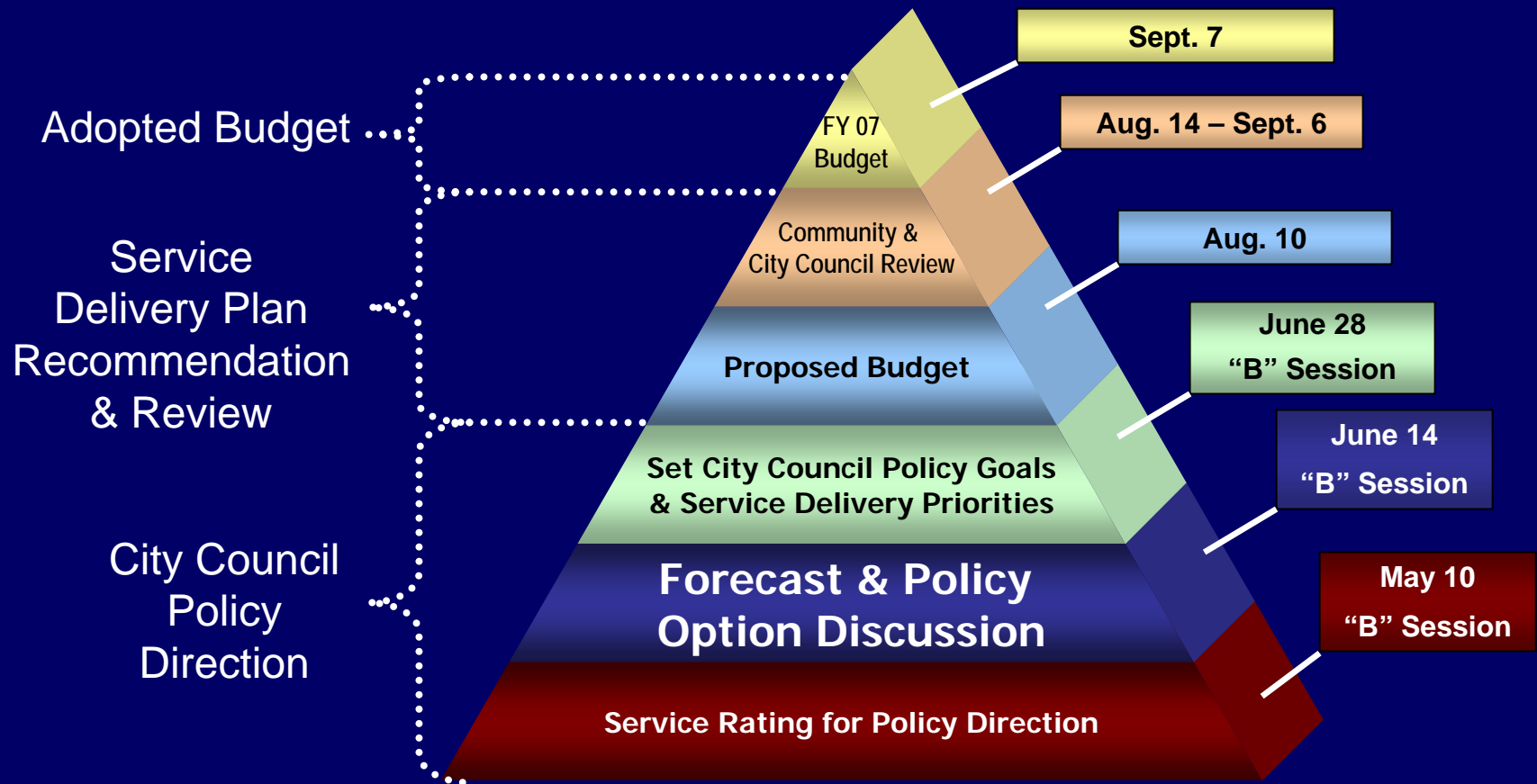
- FY 2006 Budget added \$819K to Art & Cultural Programs increasing funding to 12% of HOT Collections
- Five Year Forecast continues 12% funding level adding additional resources over five years

FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
\$835K	\$359K	\$393K	\$370K	\$392K

- Budget Stabilization Reserve of \$8.6 million will be reached in FY 2011
 - Equal to two months of operating expenses

FY 2007

Budget Development Strategy



All events scheduled within Budget Development Calendar

CITY OF SAN ANTONIO



Five Year Financial Forecast FY 2007 – FY 2011